

BEFORE THE IDAHO BOARD OF TAX APPEALS

SREE, LLC,)	
)	
Appellant,)	APPEAL NO. 14-A-1059
)	
v.)	FINAL DECISION
)	AND ORDER
CANYON COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Canyon County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. 324031160. The appeal concerns the 2014 tax year.

This matter came on for hearing October 28, 2014 in Caldwell, Idaho before Board Member Leland Heinrich. Member Kyle Sales appeared at hearing for Appellant. Chief Appraiser Brian Stender represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of a residential four-plex.

The decision of the Canyon County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$42,500, and the improvements' valuation is \$202,500, totaling \$245,000. Appellant contends the correct market value for the property is \$217,760.

The subject property is .33 acres improved with a 3,720 square foot four-plex built in 2005. The four-plex has 2,174 square feet on the main level and 1,546 square feet on the upper level. Each unit has two (2) bedrooms and one and a half (1.5) bathrooms. The property is located in Nampa, Idaho situated among other similar four-plexes.

On April 15, 2013, subject sold for \$239,000 through the Multiple Listing Service (MLS). This sale indicates a price rate of \$64.25 per square foot. Appellant thought subject's sale price might have been high. Respondent argued the market had improved between the time of sale and the 2014 assessment date.

Appellant presented information on three (3) 2013 four-plex sales located in subject's same MLS area 1260 (zip code 83686). The "paramount" importance of location to value was stressed. The sale prices were \$229,000, \$209,880 and \$320,000. Two (2) were short sales, one (1) of which was located in subject's subdivision. The four-plexes had total sizes of 4,760, 3,720 and 4,496 square feet, respectively. Rounded to the nearest whole dollar, the indicated price rates were \$45, \$62 and \$70 per square foot, respectively. Appellant considered the differences between the sale properties and subject by averaging the indicated price rates, arguing that in the aggregate, the sales represent subject's market value. Multiplying \$58.54 times subject's square footage yielded a rounded value of \$217,760.

Appellant then compared the results of the above sales analysis with measures of market price appreciation over 2013. It was determined the \$217,760 value was about 5.4% higher than subject's 2013 assessed value. Appellant argued the market did not support the year over year increase indicated when comparing subject's 2013 and 2014 assessments.

Respondent looked into the rental rates for subject and other four-plexes. However an income or gross rent multiplier approach was not calculated. Instead the rent information was used in the selection of comparable sales. In this respect, also considered was whether the sale properties had the same builder, similar square footage and age, plus whether or not the neighborhood aspects were similar to subject's. Both parties also considered room count

information. Respondent argued Appellant's practice of using only comparable sales located within the same MLS area would not result in the best set of comparable sales. For instance it was noted a comparable in the same MLS area could be much further away from the subject than one (1) located in an adjoining MLS area.

Including the subject sale, and a sale considered by Appellant that was located in subject's development, Respondent considered a total of seven (7) sales in appraising subject's market value. All the sales took place in 2013 and all the four-plexes had similar ages. With one exception, the four-plexes had the same builder, size and room counts. Excluding the short sale, the prices ranged from \$235,000 to \$252,000, or from \$63.17 to \$68.97 per square foot.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2014 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. In a unique way, each approach considers the available information

on recent comparable sales. In this case, both parties looked to a sales comparison approach, however the analyses differed significantly in the selection of comparable sales.

Appellant presented an appraisal of subject based on an averaging of the indicated price rates from three (3) recent four-plex sales. The sale properties were located within a defined location. The Board found two (2) of these four-plexes substantially differed from subject in terms of size, and in other aspects as well. Also two (2) of the three (3) sales could be classified as distressed, which on the record before us did seem to over-represent that portion of the market.

Respondent considered a total of seven (7) recent, comparable sales. Location was not viewed strictly in terms of same zip code or same MLS area, but considered distance from subject and whether the neighborhood characteristics were comparable. Respondent also preferred comparable sales that were similar to subject in design, builder, size and age.

On the whole, the Board found Respondent's analysis and selection of comparable sales was the most complete. It was also judged to be the better set of sales and more likely to accurately reflect subject's market value. Subject's 2014 assessment fell in about the middle of the value range indicated by the seven (7) sales.

In appeals to this Board, the burden is with the Appellant to establish the county valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. The Board did not find that burden met. It was not erroneous here to consider comparable sales from outside subject's MLS area. Respondent presented the best evidence of subject's January 1, 2014 market value. Accordingly, the decision of the Canyon County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 5th day of March, 2015.